

12870 Burnt Cedar Lane
Pine Grove, CA. 95665
May 16, 2005

The Honorable Mike Johanns
Secretary of Agriculture
1400 Independence Ave.
Washington, D.C. 20250

03-4281058
APHIS

Dear Mr. Secretary:

The USDA has decreed the animal ID program will become mandatory on January 1, 2009. I am writing you with a suggestion of a measure to bring about mandatory animal I.D. expeditiously and without government funding.

The suggestion I have in mind are livestock loans such as cow/calf loans. Loan arrangements that do not provide information as to monitoring for diseases such as foot and mouth and mad cow diseases puts both the client and the bank or other banks doing similar business at risk. Such monitoring would be an electronic tracking system plugged into a data collection reporting system.

Lending agencies that fail to require their clients animals not to have their animals enrolled in a tracking system are failing their responsibility of protecting the bank from their clients losses. This policy of not protecting the client does a disservice by not protecting the client from the vicissitudes of the market place as well as short changing the national interest, such as the export of beef. Individual animal I.D. would allow a bank to insure that the cattle that are the bank's collateral can be identified at any one time in the production cycle. A significant benefit would be to avoid the George Young situation of 2003.

Something that may have escaped your attention is a report on 1-06-04 by the Federal Reserve Bank of Kansas City about Mad Cow Disease. The report stated, "the appearance of mad cow disease created substantial uncertainty in the cattle industry." "The emergence of a case of mad cow disease in Washington state resulted in a great deal of uncertainty for cattle ranchers. **CONTRACTS IN SEVERAL DISTRICTS NOTED SUBSTANTIAL DECLINES IN CATTLE PRICES DUE TO FOREIGN BANS IN U.S. BEEF EXPORTS.**" (bold print mine)

With the discovery of a mad cow in Washington state, Japan has shut off beef imports from the U.S. This loss U.S. beef has cost the U.S. 1.4 billion in 2003. On January 28, 2005, the Agriculture Weekly of the Capital Press wrote, "The Asahi Shimbun news service reported that Japan wants to know how U.S. exporters will prove the age of cattle, since there's no system of tracking animals from birth to slaughter."

A simple solution to help bring this about is for the federal government to require livestock owners to have their livestock enrolled in a tracking program before applying for livestock loans... This will demonstrate to Japan and others countries that the U.S. is sincere in meeting their concerns.

From what I can gather, the banks are reluctant to be the first to insist on animal ID as a condition of a loan. The impression is the if one bank doesn't require an animal ID, that bank would get all of the business.

A simple ruling can change all of that

Yours truly



Wendell G. Peart, DVM

Copies: John Tyson, CEO, Tyson Foods

John Hayes, Senior Director, U.S. Food and Packaging, McDonald's Corp

Dr. Rob Cannell, Director of U.S. Supply Chains, McDonald's Corp

H. Lee Scott, Jr. President, Wal-Mart Stores

Chris Sullivan, CEO, Outback Steakhouse

Paul Branch, Business Manager, Superior Livestock Auction, Ft. Worth, Texas

Dr. Brad Dalke, Manager, Ruminant Marketing and Technical Service, ADM

Bill Hawks, Under Secretary, Marketing and Regulatory Program, USDA

Interested Persons

12870 Burnt Cedar Lane
Pine Grove, CA. 95665
May 18, 2005

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Came
Certified

Bill Hawks, Under Secretary
Marketing and Regulatory Programs
USDA
1400 Independence Ave, S.W. Room 228-W
Washington, D.C. 20250

Dear Mr. Secretary:

The Secretary of Agriculture has announced that on January 1, 2009, all cattle in the U.S. will have to be enrolled in the national animal ID program.

There are 184 weeks left until the first of the January 2009. Assuming 96 million cattle, beef and dairy, is the national herd, this would suggest an enrollment of 521,000 head every week until 1-01-09.

What are the incentives and other tools does the USDA intend to employ to achieve this goal? If there is not a tangible yardstick to measure the enrollment of the cattle in a timely fashion, such a program will send a message that the USDA is not serious about such policy statements. I mention this as, I believe, McDonald's has an objective this year to obtain 35% of their meat via tracked animals.

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Yours truly

Wendell G. Peart
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Copies: Honorable Ryoze Kato, Japanese Ambassador
John Tyson, CEO Tyson Foods
John Hayes, Senior Director, U.S. Food and Packaging, McDonald's Corp
Dr. Rob Cannel, Director of U.S. Supply Chains, McDonald's Corp
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Dr. Brad Dalke, Manager, Ruminant Marketing and Technical Service, ADM
Interested Persons

12870 Burnt Cedar Lane
Pine Grove, CA. 95665
April 19, 2005

Bull Hawks, Under Secretary
Marketing and Regulatory Programs
U.S. Department of Agriculture
1400 Independence Ave.,
SW, Room 228-W
Washington, D.C. 20250

*Pls prepare
response for
OK
signature.
O A signs
APHIS 2005-82*

Dear Mr. Secretary:

I wish to call to your attention a procedure that may be helpful for the Animal and Plant Health Inspection Service in the implementation of the National Animal Identification Program.

The subject that I have in mind are cow/calf loans. It seems to me that current cow/calf loans do not protect the grower and lending institutions as to monitoring for diseases such as foot and mouth, and mad cow disease. As a licensed veterinarian, I feel such an arrangement puts both the client and bank at risk. The monitoring that I have in mind would be an electronic system plugged into a data collection reporting system.

In this regard, the Federal Reserve Bank of Kansas City in the January Summary reported on 1-06-04. "While most districts reported steady conditions in the farm economy, the appearance of mad cow disease created substantial uncertainty in the cattle industry... The emergence of a case of mad cow disease in Washington state resulted in a great deal of uncertainty for cattle ranchers. Contacts in several districts noted substantial declines in cattle prices due to foreign bans on U.S. beef exports. The uncertainty was causing ranchers in the Kansas City and Dallas districts to take a wait-and-see approach toward her adjustments."

Transcripts from the Hearing Sessions held by you and your staff by the Department of Agriculture on public feed back about the establishment of a national animal I.D. program buttressed the case for electronic monitoring. "On electronic identification, cattle returns are quite attractive... and it may be because the market stockers and feeders are looking at trying to protect themselves and have something in place so they are compliant and they can move their cattle to feed." Another Hearing Session comment of note was: "It's already been pointed out that a premium of up to \$ 3 a hundred on fat cattle RFID (radio frequency identification) technology, and up to \$ 15 a calf for RFID technology."

With the discovery of a mad cow in Washington state, Japan has shut off beef imports from the U.S. This loss of U.S. beef has cost the U.S. 1.4 billion in 2003. On January 28, 2005, the Agriculture Weekly of the Capital Press wrote. "The Asahi Shimbun news

service reported that Japan wants to know how U.S. exporters will prove the age of cattle, since there's no U.S. system of tracking animals from birth to slaughter.

This would suggest that lending agencies that fail to require their clients not be enrolled in a system of tracking animals from birth to slaughter are failing their responsibility of protecting the bank from its clients losses. Could it also be said that such banks do a disservice to their clients by not protecting the clients from the visages of the market place as well as short changing the national interest in such matters as the export of beef? Japan and like countries want the U.S. to have in place a tracking system for animals from birth to slaughter. Banks can help in this process.

Failure of lending institutions to do their part does not help your department in the implementation of the national animal I.D. program. To put it another way, how many banks will give a loan on a house that is not insured. The same principle should apply to loans for livestock. Are such animals being enrolled in a tracking program from birth to slaughter?

I understand that the United States Farm Service Agency will guarantee, correct me on this, loans by banks made under the Certified Lender Program (FSA). If this is so couldn't the United States Farm Service also require that NOW cow/calf loans be enrolled in an electronic monitoring program?

I have passed on this idea as I feel you folks know better than I as to who should be contacted to help protect the grower, banks, meat packers, restaurants, and the public from animal diseases such as Mad Cow Disease. With this thought in mind: I am making sending copies of this letter to the following below named entities.

In closing may I say I met both you and Dr. Valerie Ragan, Assistant Deputy Administrator Veterinary Service, at the Hearing Session held in Lodi, California in July 2004.

Yours truly



Wendell G. Peart, DVM

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Interested persons